

Balance sheet accounts (i.e., assets, liabilities, and fund balances) are classified in the Object field. If the transactions are from restricted revenues, the balance sheet accounts are also coded to the Resource field.

**Example 1: Unrestricted Transactions Resulting in Change to Fund Balance**

Cash is deposited in the county treasury for the K–12 revenue limit and expended for various functions and objects. At year-end, closing of the books results in an increase in the unrestricted fund balance.

(a) To record receipt of property taxes:

	<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	0000	9110	000
Cr	01	0000	0	0000	0000	8011	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal is generally not required for revenues; goal is not required for balance sheet accounts.
- Function is not required for revenues or balance sheet accounts.
- Object 8011 is Revenue Limit State Aid, and Object 9110 is Cash in County Treasury.
- School is not required.

During the year there are many transactions, such as the payment of nurses' salaries.

(b) To record payment of salaries:

	<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	3140	1200	000
Dr	01	0000	0	0000	3140	3101	000
Dr	01	0000	0	0000	3140	3401	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal 0000 is Undistributed because the nurses serve students of many goals.
- Function 3140 is Health Services; a function is not required for balance sheet accounts.
- Object 1200 is Certified Pupil Support Salaries; Object 3101 is STRS, Certificated; Object 3401 is Health and Welfare Benefits, Certificated; and Object 9110 is Cash in County Treasury.
- School is not required.

At year-end the books are closed and the ending fund balance has increased, changing the components of ending fund balance. The designation for economic uncertainties is increased, and the undesignated fund balance is reduced.

## 203—Balance Sheet Accounts

(c) To record proper fund balance designations as of June 2002:

	<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	0000	9790	000
Cr	01	0000	0	0000	0000	9770	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9770 is Designated for Economic Uncertainties, and Object 9790 is Undesignated/Unappropriated Fund Balance.
- School is not required.

### Example 2: Booking Components of Ending Fund Balance

At year-end the district records the reservations and designations of the ending fund balance when the books are closed (assuming that the excess of revenues over expenditures is automatically posted to Object 9790, Undesignated/Unappropriated Fund Balance):

	<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	0000	0	0000	0000	9790	000
Cr	01	0000	0	0000	0000	9711	000
Cr	01	0000	0	0000	0000	9712	000
Cr	01	0000	0	0000	0000	9770	000
Dr	01	7140	0	0000	0000	9790	000
Cr	01	7140	0	0000	0000	9740	000
Dr	01	7155	0	0000	0000	9790	000
Cr	01	7155	0	0000	0000	9740	000

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources; Resource 7140 is GATE; and Resource 7155 is Instructional Materials (Grades K–8).
- Project Year is not used in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9790 is Undesignated/Unappropriated Fund Balance; Object 9711 is Reserve for Revolving Cash; Object 9712 is Reserve for Stores; Object 9740 is Legally Restricted Fund balance; and Object 9770 is Designated for Economic Uncertainties.
- School is not required.

### Example 3: Identifying Cash by Resource

As discussed in the Resource section, those LEAs using financial systems that do not post the resource code to the balance sheet accounts during the year will need to make an additional entry at year-end to balance the restricted and unrestricted resources.

For example, during the year-end closing, the LEA posted deferred revenue to Resource 3010, NCLB: Title I; Resource 3330, Infant Discretionary; and Resource 5600, WIA. In addition, the LEA posted restricted ending balance to Resource 7140, GATE; and Resource 7160, Instructional Materials. The LEA must make the following year-end closing entry to separate out the cash represented by these amounts:

	<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
Dr	01	3010	0	0000	0000	9110	000
Dr	01	3330	0	0000	0000	9110	000
Dr	01	5600	0	0000	0000	9110	000
Dr	01	7140	0	0000	0000	9110	000
Dr	01	7160	0	0000	0000	9110	000
Cr	01	0000	0	0000	0000	9110	000

- Fund 01 is the General Fund.
- Resource 3010 is NCLB: Title I; Resource 3330 is Infant Discretionary; Resource 5600 is WIA; Resource 7140 is GATE; Resource 7160 is Instructional Materials; and Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9110 is Cash in County Treasury.
- School is not required.

<b>203—Balance Sheet Accounts</b>
-----------------------------------